

agreed to or negotiated. The farm bill is an awfully good example. We have now sent to the other side a list of things that we hope perhaps they might agree to. And if they don't agree to that, to give us a list back. Let's find a way to have common lists of amendments to bring the farm bill to the floor and finish it. That is a reasonable thing to do. Yet we can't get that done, can't get the first baby step in the right direction. All we get is hot air, a lot of rhetoric, discussion such as I heard this afternoon that somehow the majority is a group of profligate spenders, and the majority wants to increase taxes. What a bunch of nonsense. It is completely at odds with the facts. It is as if they believe that there are not cameras here and this isn't being recorded.

I was thinking, as I was sitting here, about a story I heard when I was a kid of Joseph Montgolfier from rural France. The story was in 1783. He was sitting in a big, overstuffed chair looking at his fireplace in his country home. And as he watched the fireplace he saw sparks and smoke go up the chimney. As he contemplated the smoke and the sparks, he thought: There is something taking the smoke and sparks up the chimney. That must be some sort of energy. And so several months later he was in a meadow in rural France with burlap bags he had dampened and straw he was burning and he fashioned the first balloon. And it was the first recorded evidence of powered flight. He discovered that hot air rises and used hot air to lift a balloon.

I was thinking about hot air today because I listened to what is supposed to somehow pass for informed debate, and it is nothing but hot air. Why don't you pass the appropriations bills. OK. Let's try one. I object, he says.

I don't understand that at all. Don't ask us to pass bills you are going to object to, if you are going to continue to stall and object. If you want us to pass legislation, appropriations, energy, AMT, if you want us to pass legislation, come to the floor this afternoon. Let's work together and work out a process by which we pass legislation that advances this country's interests. It is not as if we don't have significant challenges and significant interests. We do.

No one in this Chamber can suggest somehow that with the price of oil bobbing at around \$90 to \$100 a barrel that we don't have serious challenges and a need to pass an energy bill. The House of Representatives is doing an energy bill. We did one in the Senate prior to this. We tried to go to conference, and there was objection. So we couldn't even get to conference. But we will, I think and I hope, have the Energy bill the House is going to pass and then send over to the Senate next week. There is an urgent need to have conservation, efficiency, and renewable energy, as well as continue to use fossil fuels without injuring the environ-

ment. We can do all of those things, and should, but we will need some cooperation. We are not asking for the Moon. We are just saying this country faces obvious challenges.

No one party can do it alone. We have a 51-49 majority. All we need is some cooperation. All we need is for people who continue to come day after day after day with a two-word vocabulary, "I object," to see if they can't add a few words and say "I accept."

Let's work together. Let's join together to get things done. That is all we are asking. We only have a few days left in this session, probably a maximum of 12 or 13 days. I would hope all of us who are paid to work here and do the public's business would want to make those days productive on behalf of the country. We live in a great place. We should give thanks every day for this opportunity. Let's find a way to address these issues, invest in this country's priorities, pass an energy bill that we can be proud of that makes us less dependent on foreign oil, pass an AMT bill that is going to help avoid increased taxes for a lot of Americans who do not deserve to have an increased tax bill. We can do all of those things if we work together.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, are we in morning business?

The PRESIDING OFFICER. The Senate is in a period of morning business.

Mr. GRASSLEY. Mr. President, I ask unanimous consent, if there is discussion of AMT today, that my remarks be placed in the RECORD at that point.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMT

Mr. GRASSLEY. Mr. President, I am pleased we are finally discussing solutions to the alternative minimum tax problem that is poised to swallow 19 million more filers this year. I would have rather gone through this process several months ago but better late than never.

Over the course of the year, I have given many speeches analyzing the AMT and describing the problem it poses for middle-class taxpayers in great detail. On February 12, I gave a speech on the history of the AMT. On February 13, I highlighted how the AMT affects individual income tax liabilities. On February 15, I discussed ways to reform the AMT and made the case that complete repeal is the best way to deal with the AMT.

Incidentally, I made the case that dealing with the alternative minimum

tax 1 year at a time could be problematic, and current events have proven me right.

On March 20, I pointed out the Democrats' budget had no room for AMT relief, not even for 1 year. On March 22, I explained why we need to repeal the AMT. On April 18, I made an appeal for quick action on the AMT to help taxpayers making estimated payments who are already paying the price for the lack of action in Congress. On May 14, I explained why the AMT relief or repeal should not be paid for with a tax increase someplace else on other people. On May 17, I criticized the conference report on the fiscal year 2008 budget resolution for not realistically addressing the alternative minimum tax problem. On that same day, I gave another speech exposing how Democratic offsets to the AMT relief would result in massive tax increases on other people.

On June 13, I discussed the inadequacy of the lead trial balloons House Democrats were floating as possible fixes for the AMT. This was to mark the occasion of the second quarter estimated tax payments coming due because we had taxpayers who file quarterly already being hit by the lack of action on the part of the Congress.

On July 24, I introduced legislation to protect taxpayers who should have been making estimated payments for 2007 but weren't because they did not realize Congress was failing to protect them from the AMT. In other words, if they didn't have to pay the AMT in 2006, why would they think they had to pay the AMT in 2007? By not doing it, they were violating our tax laws, probably innocently.

On September 19, I marked the occasion of the third quarter estimated tax payments coming due by again discussing the AMT problem and how little congressional leadership was doing about it.

I just cited 12 speeches delivered on the Senate floor over the past year. That doesn't even include press conferences, Finance Committee meetings, and other events where I have talked about the need for repeal of the AMT or, in the case of a shorter term fix, just making sure it was fixed for this 1 year and kicking the can down the road. I have been talking about the alternative minimum tax literally all year now. House Democrats finally managed to introduce a bill on October 30, and the majority leader turned to it in the Senate right before the Thanksgiving recess. Democratic leadership cannot blame Republicans for their own failure to act until almost literally the last minute.

As I said, I am glad we are finally discussing solutions, and the Senate leadership seems to realize that the AMT should not be offset. I also want to thank my good friend, Chairman BAUCUS, for all his hard work this year,

and for several years, to protect middle-income taxpayers from the alternative minimum tax. Chairman BAUCUS is doing our country a great service now by trying to work out a compromise between those who want to pay for the AMT relief and extenders with a tax increase and those who are opposed to tax increases to offset AMT. He has consistently, meaning chairman BAUCUS, avoided bitter partisanship and always worked to do the right thing.

Those obsessed with pay-go—and for the public watching, that is pay as you go—those who are obsessed with pay-go, who want to raise more taxes to pay for a tax that was never meant to raise revenue, are punishing the American taxpayers for their obsession. Unfortunately, right now, I cannot support a package with roughly \$45 billion of offsets in it for the extenders, even though the AMT relief is not offset.

I am still reviewing some of the revenue raisers, but my issue is not with the raisers themselves. I will only support a raiser if I think it is good policy and will not support a raiser simply for the revenues.

I am concerned then if we send this package to the House, they will try to use the offsets not for what we put them in for, for the extenders, but send it back to us as offsets against the AMT, increasing taxes on others to pay for a tax that was never meant to be collected, and then still not get the extenders passed, as we should be passing them right now.

The House has shown it does not respect the need to get 60 votes in the Senate, and I do not expect that to change right now. If the majority leader is serious about reaching a compromise, and really respects the minority, as he claims, he needs to get his colleagues in the House on board. I have been around long enough not to make it too easy to stab me in the back by having things that even leadership in the House has suggested could happen with this tax ping-pong operation that might go on here.

It is unfortunate congressional leadership took so long to deal with the alternative minimum tax and that some are still putting an obsession with pay-go and narrow partisan interests over the wellbeing of their own constituents. We can talk until we are blue in the face, but the bottom line is we need to change the tax laws with respect to the alternative minimum tax. That law change needs congressional action and a Presidential signature, and anything else is just plain talk.

I would like to end this part of the remarks I am making today with a suggestion. I hope we get all parties to an agreement by changing the law on the AMT patch. By all parties, I am referring to House Democrats, House Republicans, Senate Democrats, Senate Republicans, and, of course, nothing is going to happen if the President can't sign it. Without an agreement, we will not get a law. And without a law

change, this is what is going to happen: 23 million families face an unexpected tax increase that is going to average about \$2,000 per family. Without a law change, we make worse the filing season fiasco for yet another 27 million families and individual taxpayers. That is on top of the 23 million who, for the first time, are being hit by the alternative minimum tax.

So here is my suggestion. It is simple. It is black and white. It is in a letter from Chairman RANGEL and Chairman BAUCUS and ranking Republicans MCCRERY in the House and myself for the Republicans in the Senate Finance Committee. We are the senior tax-writing committee members from the Congress. That letter was dated October 31 this year assuring Treasury Secretary Paulson and Acting IRS Commissioner Stiff that we would work to pass an AMT patch bill expeditiously. That letter contains the test that ought to be applied to any proposal in substance and process on an AMT patch.

Let me remind you, this is a bipartisan letter by the most senior tax-writing Members of the Congress. And it starts with "we," meaning Chairman RANGEL, Chairman BAUCUS, and ranking Republican members, MCCRERY and GRASSLEY. Here is what that sentence says:

We plan to do everything possible to enact AMT relief legislation in a form mutually agreeable to the Congress and the President before the end of the year.

That is the end of the quote, but I want to put emphasis within that quote on these words: Passing legislation in a form mutually agreeable to the Congress and to the President before the end of the year, meaning the end of 2007. Chairmen RANGEL and BAUCUS and their ranking members made it clear in this letter.

Mr. President, I ask unanimous consent the letter I have been referring to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TAX WRITERS NOTIFY IRS OF UPCOMING AMT
FIX

FINANCE WAYS AND MEANS LEADERS INTEND TO PREVENT TAX FROM AFFECTING MORE AMERICANS, URGE IRS TO BEGIN PLANNING NOW FOR ACCURATE TAX FORMS

WASHINGTON, DC.—Leaders of the congressional tax writing committees notified the Internal Revenue Service (IRS) today of imminent changes to the alternative minimum tax, and encouraged the agency to plan now to produce accurate tax forms for the 2007 filing season. Senate Finance Committee Chairman Max Baucus (D-Mont.), House Ways and Means Chairman Charles Rangel (D-N.Y.), Finance Ranking Republican Chuck Grassley (R-Iowa), and Ways and Means Ranking Republican Member Jim McCrery (R-La.) sent a letter to Acting IRS Commissioner Linda Stiff, indicating their intention to complete legislation preventing the AMT from affecting any additional American taxpayers for 2007. The AMT was originally meant to ensure that wealthy Americans paid some income tax, but without indexing for inflation it has begun to affect middle-income American taxpayers.

The text of the Tuesday letter follows here.

OCTOBER 30, 2007.

Ms. LINDA E. STIFF,
*Acting Commissioner, Internal Revenue Service,
Washington, DC.*

DEAR ACTING COMMISSIONER STIFF: Under present law, more than 23 million taxpayers will be subject to higher taxes in 2007 unless legislation is enacted to limit the reach of the Alternative Minimum Tax (AMT). We realize that this fact is causing concern for many taxpayers and is creating administrative difficulties for the IRS as the agency prepares for the upcoming filing season.

As the leaders of the Congressional tax-writing committees, we want to assure you that legislative relief is forthcoming so that no new taxpayers will be subject to the AMT for taxable year 2007. To accomplish this, we are committed to extending and indexing the 2006 AMT patch with the goal of ensuring that not one additional taxpayer faces higher taxes in 2007 due to the onerous AMT. In addition to allowing the personal credits against the AMT, the exemption amount for 2007 will be set at \$44,350 for individuals and \$66,250 for married taxpayers filing jointly.

We plan to do everything possible to enact AMT relief legislation in a form mutually agreeable to the Congress and the President before the end of the year. We urge the Internal Revenue Service to take all steps necessary to plan for changes that would be made by the legislation.

Thank you for your immediate attention to this matter.

Sincerely yours,

MAX BAUCUS,
*Chairman, Committee
on Finance.*

CHARLES E. GRASSLEY,
*Ranking Member,
Committee on Fi-
nance.*

CHARLES B. RANGEL,
*Chairman, Committee
on Ways and Means.*

JIM MCCRERY,
*Ranking Member,
Committee on Fi-
nance.*

Mr. GRASSLEY. Now, our leaders in both the House and the Senate need to back up the tax writers. We Senators need to pass a package that is agreeable to the President and to the House. What do we all agree on? We agree the patch needs to get done right now. So that is the base of what should pass the Senate, if we are to get a law enacted. House and Senate Democrats insist on offsets for a patch.

The old joke is that you better make certain the light at the end of the tunnel isn't a train coming toward you. Unfortunately, the joke is on the American people when it comes to the upcoming tax-filing season. Because of the failure of the Congress to act, the taxpayers are going to feel as if they have been hit by a freight train come April 15. The sad part is this was not necessary. Congress could have done the right thing. Congress could have acted. We have never in this century gone this late without passing the AMT patch and having it in place. The IRS and the Treasury have made it clear that the failure to act would cause very real problems in the filing season, in terms of confusion and in terms, especially, of a delay in providing taxpayers their refunds.

I am astonished when I hear that some in the Democratic leadership are telling reporters these claims of a filing fiasco are all somehow a bluff. The Democratic leadership certainly didn't think the problems of the filing season were a bluff when we were delayed in passing an extenders package last year. That is when the Republicans were in control. I strongly advocated then that we needed to pass the extenders package and warned of its negative impact on the filing season, and I was not listened to by my Republican leadership. But Democrats, now in the majority but back then in the minority, joined me in those statements. Now the clamor is much smaller with the alternative minimum tax which will affect 25 million taxpayers and will be, in many ways, significantly more disruptive to the filing season than the extenders delay last year.

As you can see from a chart I have here—I am going to ask my staff to hold that chart up. We all know the story of Chicken Little. But every once in a while, Chicken Little is right. When it comes to the filing season, the sky is falling.

It is important that my colleagues understand that by failing before Thanksgiving, we have already gummed up the works. As my colleagues can see from this next chart, the deadline of October 15 for finalizing forms and instructions has already passed. We have passed the November 7 deadline for printing the tax forms—as you can also see in the chart—and the absolute drop dead date for printing was November 16.

Every week that we don't act, this problem will get worse and worse.

I should make it clear that we are not only hearing from the IRS that the delays have created a filing fiasco; the tax preparer community is making it clear that the problems are real and they are big.

We recently received a letter from the independent IRS Oversight Board that voiced "grave concerns about the serious risks to the 2008 filing season if legislation to change the AMT is delayed."

The IRS Oversight Board makes it clear that there is a big, big difference from Congress passing AMT relief this week as opposed to the third week of December. The board specifically says that another 2 or 3 week delay by Congress could mean that another 31 million taxpayers will face a delay in filing returns and that another approximately \$70 billion in refunds could be delayed.

These numbers would be on top of the 6.7 million taxpayers who already face a delay in filing returns and the \$17 billion in refunds that are going to be delayed because we have not acted to pass the AMT "patch."

So if we continue to dilly-dally and delay on AMT relief until Christmas, it will be a total of 37.7 million return filings delayed and \$86.9 billion in refunds delayed. These delayed refunds are not

just paper; they represent real money that many working families are counting on to help them to pay the bills, make an important purchase or even have an important medical procedure done.

To be blunt, we are already in the soup and it is a question of how bad it is going to get.

I recently joined the ranking member of the Ways and Means Committee in writing to Ms. Stiff, the Acting Commissioner of the Internal Revenue Service, asking that the IRS do the following:

No. 1, take steps to educate taxpayers about the possible changes in the law and tax forms;

No. 2, work closely with the tax preparation community to keep them aware of the IRS to update programming and minimize delays and to encourage the tax preparation community to inform their clients and consumers about likely delays in processing returns and distributing refunds;

No. 3, ensure that all IRS call center employees are fully informed about the status of the tax filing season and can provide accurate and timely information to callers;

No. 4, within available resources, increase staffing of IRS call centers to accommodate the increased call volume that will likely result from taxpayer confusion.

I think these steps will allow us to do the best we can with a very bad hand. But there should be no doubt, the real answer is to pass AMT relief and pass it now.

For many years now, and certainly many times this year, I have tried to shed light on the monstrosity that is the alternative minimum tax and how the failure to index the AMT for inflation threatens middle-class taxpayers. While I have consistently fought for full repeal of the alternative minimum tax, I have had to be content with enacting a series of provisions, since 2001, to increase the exemption amounts pertaining to the AMT to prevent new taxpayers from being caught by it. However, similar action has not yet been taken for tax year 2007. Despite plenty of advanced warning, congressional leadership's failure to act means that time for proactive action has already passed.

The IRS is printing tax forms and making other arrangements to process tax returns submitted for the upcoming filing season. Any legislative fix undertaken now to check the advance of the AMT will not eliminate a problem, but will only manage it. Despite being deeply disappointed that congressional leadership has not seen fit to act faster, I was hopeful that the magnitude of around 19 million additional tax filers paying the AMT for tax year 2007 was finally beginning to hit home. The AMT finally seemed to be getting the attention it deserved, but recent rhetoric has again put me into a negative frame of mind.

Rather than offer new ideas and insights into how to solve the AMT prob-

lem, which in the case of many would be to offer any ideas at all, some of my colleagues are merely recycling the same old and tired talking points of years past. More specifically, I'm referring to the accusation, made by left-leaning think tanks and also by the House Committee on Ways and Means majority, that advocates of tax relief in 2001 and 2003 deliberately—I want to emphasize they are accusing use of deliberately using the AMT as a trick to minimize the revenue cost to the Federal treasury as a result of those policies. While it is true that some families benefit less from 2001 and 2003 tax relief than they otherwise would have, to say this is by design, as is indeed done in a Committee on Ways and Means press release issued on November 14, is absolutely ridiculous.

Republicans have consistently fought, even before the 2001 tax relief bill, to curtail and eradicate the alternative minimum tax. In 1999, congressional Republicans passed the Taxpayer Refund and Relief Act of 1999, which completely repealed the AMT, and this bill was vetoed by President Clinton.

Getting back to the Ways and Means press release of November 14, in it I myself am cited as critiquing President Bush for not doing more in his 2001 and 2003 tax packages to counteract AMT effects. I do absolutely want to make clear that despite my belief that the AMT was also a pressing problem at that time, I wholeheartedly supported tax relief in 2001 and 2003 and still think it was absolutely the right thing to do. In fact, I think the provisions in both bills should be made permanent.

In order to counteract the effect of the AMT, Congress passed and President Bush signed into law a series of provisions to increase AMT exemption amounts to keep inflation from pushing new tax filers into the clutches of the AMT. If Ways and Means Democrats were serious in their implied concern for the effectiveness of 2001 and 2003 tax relief, they could do two very simple things: First, House Democrats could make 2001 and 2003 tax relief permanent; second, they could fully repeal the AMT. Of course they have shown no sign of doing either of these two things. In fact, opposition to the 2003 tax relief package was so intense among Democrats that the Vice President was called upon to break a tie during a vote in the Senate.

The provisions of the 2001 and 2003 tax relief bills were not made permanent because doing so might have made it impossible for the bills to overcome Democratic opposition. I believe that including AMT repeal in those bills would have had the same effect.

Aside from being quoted in the November 14 Ways and Means press release, I found it unintentionally humorous in that it reveals that House Democrats are doing exactly what they accuse Republicans of having done since 2001. While they accuse Republicans of using the AMT as a budgeting

gimmick, they are using the AMT as a gimmick to make it appear they are easing the tax burden when they are not.

In the release, Ways and Means Chairman RANGEL is quoted saying "The house passed a bill to prevent the AMT from hitting 23 million families this year without hurting the economy by adding to the national debt."

What this means is that the House is protecting some people from the AMT by subjecting other filers to additional taxes. This is the same as if your community's animal control officer caught a rabid dog on your street and let it go someplace else across town. Your problem appears to have been immediately solved, but in the longer-term, the fundamental problem still exists. The fundamental problem with the AMT is the massive amount of unintended revenue it is forecast to collect, and the unwillingness of many of my colleagues to forego that revenue.

If Ways and Means Democrats are serious in their appeal to the administration regarding the AMT to "work with Congress to do the right thing and kill it," they will abandon any notion that revenues not collected because of AMT relief or repeal ought to be offset.

Finally, I want to address the baseless claim that the Bush administration's tax priorities were responsible for the AMT problem on a technical level.

This exact point was raised in 2005 by Democratic Ways and Means staffers in a letter to "Tax Note," a prominent publication for tax professionals. At the time I requested that the non-partisan Joint Committee on Taxation look into this matter. Their analysis showed that, as I have long maintained, the biggest problem with the alternative minimum tax was it was never indexed for inflation.

In response, I received from the Joint Committee on Taxation a letter dated October 3, 2005. I have requested an update of that document and will discuss the updated numbers as soon as they are available. That estimate could be interpreted to indicate that if the Bush tax cuts were repealed, alternative minimum tax revenues could be ex-

pected to drop by \$302 billion, or 27 percent.

At the time, the Joint Committee on Taxation estimate also found that extending and indexing the hold-harmless provision in effect at the time would reduce alternative minimum tax revenues by around \$667 billion, or 59 percent. Of course, the analysis of this question is complicated by the fact that the variables we are examining overlap and interact with each other. But responsible analysis of available information certainly does not support the allegation that the tax relief packages signed by the President in 2001 and 2003 are responsible for the explosion of the alternative minimum tax. If anything, House Democrats and their pet think tanks have illustrated the fallacy of using projected revenue reductions as a proxy for percentage causation.

Madam President, I ask unanimous consent that the October 2005 Joint Committee on Taxation revenue estimate I referred to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON TAXATION,
Washington, DC, Oct. 3, 2005.
MEMORANDUM

To: Mark Prater and Christy Mistr
From: George Yin
Subject: AMT Effects

This memorandum responds to your request of September 29, 2005, for an analysis of the portion of the AMT effect (AMT liability plus credits lost due to the AMT) which can be attributed to the failure to adjust the AMT exemption amount to inflation, assuming alternatively that the EGTRRA and JGTRRA tax cuts ("tax cuts") are either permanently extended or repealed. We also explain how this information compares to information previously provided to you on August 31, 2005 and September 16, 2005.

For the purposes of this analysis, we have first assumed that the tax cuts are repealed. The first set of figures in Table 1 compares the AMT effect under this assumption if, alternatively, (1) the AMT exemption amount hold-harmless provision is not extended beyond 2005; (2) such provision is extended permanently; and (3) such provision is extended permanently and indexed after 2005. The sec-

ond set of figures presents the same comparison under the assumption that the tax cuts are permanently extended. All of the information provided in this table was previously provided to you in our September 16, 2005 memo, except in a different format.

TABLE 1

Item	AMT effect (billions of dollars)
Tax Cuts Repealed:	
(1) Hold-harmless provision not extended	399.9
(2) Hold-harmless provision extended permanently	212.0
(3) Percentage of AMT effect attributable to failure to extend hold-harmless provision (((1)-(2))/(1))	47%
(4) Hold-harmless provision extended permanently and indexed	169.7
(5) Percentage of AMT effect attributable to failure to extend and index hold-harmless provision (((1)-(4))/(1))	58%
Tax Cuts Extended Permanently:	
(6) Hold-harmless provision not extended	1,139.1
(7) Hold-harmless provision extended permanently	628.5
(8) Percentage of AMT effect attributable to failure to extend hold-harmless provision (((6)-(7))/(6))	45%
(9) Hold-harmless provision extended permanently and indexed	472.0
(10) Percentage of AMT effect attributable to failure to extend and index hold-harmless provision (((6)-(9))/(6))	59%

In the information provided to you on August 31, 2005 and September 16, 2005, we analyzed the portion of the AMT effect attributable to the tax cuts. In the analysis described above, we identify the portion of the AMT effect attributable to failure to adjust the AMT exemption amount to inflation. There is, however, interaction between these two contributing factors to the AMT effect. In order to avoid double counting of interactions, a stacking order is imposed. The apportionment of effects to each contributing factor will vary depending on the stacking order, even though the total effect remains constant.

This phenomenon is illustrated by Tables 2 and 3 below. The first two columns of Table 2 show the portion of the AMT effect attributable to the tax cuts, consistent with the information provided on August 31, 2005 and September 16, 2005. The second two columns of Table 2 show the portion of the AMT effect attributable to the failure to extend and index the hold-harmless provision, consistent with the information provided in Table 1 above. Note that if these two contributing factors were completely independent of one another, the information in Table 2 would suggest that the two factors together contribute to more than 100 percent of the AMT effect. In fact, as shown in Table 3, the two factors together contribute to only 85 percent of the AMT effect. Thus, there is substantial overlap between these two factors.

TABLE 2

Item	AMT effect (billions of dollars)	Item	AMT effect (billions of dollars)
Baseline	1,139.1	Baseline	1,139.1
Repeal tax cuts	399.9	Extend and index AMT hold-harmless provision	472.0
Difference	739.2	Difference	667.1
Percentage of baseline	65%	Percentage of baseline	59%

TABLE 3

Item	AMT effect (billions of dollars)
Baseline	1,139.1
Repeal tax cuts and extend and index AMT hold-harmless provision	169.7
Difference	969.4
Percentage of baseline	85%

Mr. GRASSLEY. Madam President, as I said, I will discuss those updated

numbers when they are given to me by JCT.

I mentioned earlier that the argument that our recent tax policies are responsible for the wild growth in the alternative minimum tax is an old and a very tired argument, intellectually dishonest. The Ways and Means press release of November 14, 2007 refers to a letter of March 6, 2001, sent by Mr. RANGEL to President Bush.

I just talked about a Democratic staffer making the same point in Tax Notes in 2005. I am not bothered by these arguments in and of themselves. They are based upon poor analysis, if that, and it is easy for me to respond to them. What does bother me, however, is that clearly many people are more interested in trying to make cheap political points than actually dealing with the alternative minimum

tax. If House Democrats were concerned about the tax burden, they would repeal the alternative minimum tax without raising taxes on other taxpayers to replace revenue that was never supposed to come into the Federal Treasury, because these 23 million middle-income taxpayers were never supposed to be hit by the alternative minimum tax, because it was only meant to be paid by the superrich.

I have made the point many times, that this alternative minimum tax was never meant as a revenue source, and I do not care if I made it twice in a row, three times in a row, it is a fact of life: These 23 million people were never meant to pay it. The alternative minimum tax is only supposed to hit the superrich—it was an unsuccessful attempt—when the alternative minimum tax was passed in 1969, to promote tax fairness. This point has not been challenged.

Rather, my friends in the House and elsewhere have distorted that argument into a claim that Republicans intended to use the alternative minimum tax to secretly diminish the impact of the 2001 and 2003 tax relief packages. I have shown how that argument is flawed every time it is dug out of the closet by someone. The alternative minimum tax certainly is not a secret. But it is a mystery how so many people can engage in so much pointless discussion when what we need now right now, actually several months late, is urgent action.

I yield the floor, and I suggest the absence of a quorum.

THE PRESIDING OFFICER (Mrs. McCASKILL.) The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SALAZAR. I ask unanimous consent that the order for the quorum call be rescinded.

THE PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SALAZAR. Madam President, what is the pending business?

THE PRESIDING OFFICER. The Senate is in morning business.

Mr. SALAZAR. I ask unanimous consent to speak for up to 15 minutes.

THE PRESIDING OFFICER. Without objection, it is so ordered.

THE FARM BILL

Mr. SALAZAR. Madam President, I come to the floor to plead with my colleagues that we move forward to address the issues of agriculture and rural communities and food security for our country in moving forward with consideration and passage of the 2007 farm bill. In this Chamber, there needs to be more champions of rural America and agriculture. Those farmers and ranchers around our Nation who today are the ones working to provide food for the tables of all of America, those farmers and ranchers, when you meet them—because when you shake their hand in communities in my State,

places such as Lamar or Craig or down in Dove Creek, in my home area of the San Luis Valley, Manassa, it is a rough hand. It is a rough hand that is weathered through the difficult times of having had to eke out a living from the soil and what oftentimes is a very difficult time.

Rural America, in my opinion, is part of the forgotten America. Rural America has been forgotten by Washington, DC for far too long. Rural America has been forgotten by this President and this administration for far too long. Now we have an opportunity with legislation crafted in the spirit of bipartisanship, through the leadership of Senators HARKIN and CHAMBLISS and a number of other members of the Agriculture Committee and the Finance Committee, under the leadership of Senators BAUCUS and GRASSLEY, to make sure that rural America is not forgotten. We have an opportunity to open a new chapter of opportunity for rural America. We can do this with the 2007 farm bill.

Rural America is in trouble. When you look at this map of the United States, when you look at both the red and yellow zones, they are all part of what we consider to be rural America. There are about 1,700 counties in what is characterized as rural America in this great land of ours, the United States. More than half of those counties have been declining in population. Across the heartland of the United States, you see great swathes of red where we see towns and communities that are withering on the vine. This 2007 farm bill will help revitalize rural America in a way that has not happened before.

When we look at the towns and counties across each one of the 50 States, I am sure any one of us could find many places such as this storefront in Brush, CO where half of the main street in many of the towns has essentially been closed down. This is the main street of Brush. There is a for sale sign on this building. When you go to the towns in my native valley, in Conejos County, Costilla County, I can tell you that in the town of Antonito, CO, at one point in time, 15 years ago, there were four or five gas stations on the main street. Today there is one gas station. I remember a few years ago there were multiple grocery stores. Today there is one small grocery store. I haven't done the count when I have gone through the main street of Antonito, as I often do back in the San Luis Valley, but I would guess that 60 to 70 percent of the entire main street of the town has been boarded up and is either not being used or is for sale.

The town of Antonito, like the town of Brush, like so many towns and communities across rural America, is calling out for Congress to do something to help revitalize rural America. We, in the 2007 farm bill that has been crafted in the best spirit of bipartisanship, are attempting to do so. It will be a shame for Washington, DC and for this Cham-

ber to allow the politics of obstructionism we see going on here to essentially kill the promise of rural America represented in the 2007 farm bill.

Over the last several days and over the last month, we have seen many efforts to try to move forward to a conclusion. Yet we haven't been able to move forward because there is a filibuster in place. I have heard the majority leader come to the floor and say: Let's move forward and consider the farm bill. We will make an agreement where we will allow 10 Republican amendments and 5 Democratic amendments and 2 other amendments, a total of 17 amendments. What has happened when he has propounded that unanimous consent request? It has been objected to. He has said, as Senator HARKIN has suggested, let's take 10 amendments on either side or 12 amendments on either side. Let's come up with an agreement that puts us on the pathway of making the farm bill even better through the amendment process but getting the farm bill passed.

Yet what is happening in our inability to move forward? There are objections on the other side because there is a paradigm that has become evident in this place. And that is to try to slow walk any kind of progress we might be able to make on this legislation, on AMT, on the Energy bill, or anything else.

We hopefully will find the courage in this Chamber to make sure that the public purposes for which we were elected will ultimately triumph over the politics of division which we see taking place. Doing nothing is not an option. Obstructionism essentially is leading to that result of doing nothing.

The farmers and ranchers of America don't see this as a Democratic and Republican issue. They want results. They want us to work together to try to get results and to pass this 2007 farm bill.

I urge my colleagues to redouble their efforts to try to find agreement so we can move forward, so we can have a farm bill that is good for America.

As we talk about the farm bill, it is also important, as my good friend from North Dakota, Senator CONRAD, has said, to understand that this is much more than just about conservation and energy and rural development, the things I care so much about. It is also about another thing all of us care a lot about, and that is the nutrition of those who are most vulnerable in society. That is why in this farm bill about 67 percent of all the money that goes into this farm bill actually goes into nutrition programs for America. Yes, newspapers across the country that sometimes are critical of the commodity parts of the farm bill are wrong, because they don't focus on the other parts of the legislation. They don't talk about what we do for nutrition in this farm bill. They don't talk about what we are trying to do with the fresh fruits and vegetables program